THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, COURT-I, CHANDIGARH

CP (IB) No. 295/Chd/Pb/2024

(Application under under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to adjudicating authority) Rules, 2016)

In the matter of:

HDFC Bank Limited
Department for Special Operation,
Peninsula Business Park, B-Wing, 4th Floor,
Sir Phirozshah Mehta Road,
Kadam Marg, Lower Parel (West), Mumbai, 400031
Email Id: pranjil.agrawal@hdfcbank.com

....**Applicant/ Financial Creditor**

Vs.

Syska Miterr Private Limited
H No. 9 Cantonmentthe Mall,
Amritsar, Punjab - 143001, India
Email id: em@syskamiterr.com

...Corporate Debtor/Respondent

Order delivered on: 18.11.2026

Coram: HON'BLE MR. KHETRABASI BISWAL, MEMBER (JUDICIAL)
HON'BLE SH. SHISHIR AGARWAL, MEMBER (TECHNICAL)

Present:-

For the Applicant:	Mr. Manish Jain, Sr. Advocate Mr. Siddhant Jain, Advocate Mr. Manan Jain, Advocate Ms. Divya Sharma, Advocate
For the Respondent:	Mr. Subhash Saini, Advocate

CORAM: MR. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)
MR. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)

ORDER

1. This present Application has been filed by HDFC Bank Limited (hereinafter referred to as the **"Applicant/ Financial Creditor"**) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "Code") for initiation of Corporate Insolvency Resolution Process (CIRP) against **Syska Miterr Private Limited** (hereinafter referred to as "**Respondent/ *Corporate Debtor***") for a default amount of Rs.20,00,00,000/- along with applicable interest. The date of default, as mentioned in Part IV of the Application is 20.12.2023.

2. The facts in brief to file the present Application are as follows:

(i) The present application is filed under Section 7 of the Code by HDFC Bank Limited, a banking company with its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai, against Syska Miterr Private Limited having CIN: U74999PB2017PTC046642, whose registered office is at H. No. 9, Cantonment, The Mall, Amritsar, Punjab. The application was filed on 05.11.2024 through Mr. Pranjil Agrawal as the authorised signatory.

(ii) The Financial Creditor sanctioned credit facilities to the Corporate Debtor vide sanction letter dated 28.05.2019, including a Cash Credit (CC) Facility of Rs. 20,00,00,000/-. The facilities were secured by a Deed of Hypothecation dated 21.07.2019 and guaranteed by the personal guarantees of Mr. Rajesh Uttamchandani and Mr. Gobind Uttamchandani, Directors of the Corporate

Debtor. The Corporate Debtor also issued an Acknowledgement of Debt letter dated 09.05.2022 annexed as *Annexure L* to the Application.

(iii) The Financial Creditor states that the Corporate Debtor failed to repay its dues. In Part IV of the application, the date of default is stated to be 20.12.2023, and the amount claimed to be in default is Rs. 22,79,17,222.34 as on 30.09.2024.

(iv) The account of the Corporate Debtor was classified as a Non-Performing Asset (NPA) with effect from 15.03.2024, in accordance with the RBI prudential norms, and the same was intimated to the Corporate Debtor and the guarantors by letter dated 09.05.2024 which is annexed as *Annexure T* to the Rejoinder. Thereafter, the Financial Creditor issued a notice dated 03.06.2024 under Section 13(2) of the SARFAESI Act, 2002 and a Loan Recall Notice dated 14.06.2024 which is annexed as *Annexure P* to the Application. Further notices were issued on 13.08.2024 and 03.10.2024, annexed as *Annexure Q and R respectively*. The Financial Creditor states that the Corporate Debtor did not deny the default or the amounts due in response to any of these notices.

(v) The Record of Default (Form D) was filed with NeSL on 19.10.2024 and authenticated on 20.11.2024, showing the date of default is 15.03.2024 and the default amount is Rs. 22,46,40,454.37. At the time of filing this petition, only the acknowledgement of submission dated 22.10.2024 was available. The NeSL Record of Default was subsequently placed on record along with the

Rejoinder. The Financial Creditor also relies on the CIBIL Commercial Credit Information Report dated 16.10.2024 and the Statement of Account.

(vi) The Financial Creditor states that filing of the NeSL Record of Default is not mandatory where default is supported by other documents. The amount in the notice dated 03.06.2024 is the amount due as on 30.05.2024, while the amount in the Application is the amount due as on 30.09.2024, and there is therefore no inconsistency. Hence, the present case.

3. The Respondent/Corporate Debtor has taken the defence, the brief of which is as follows:

4. The Corporate Debtor has filed its Reply dated 02.08.2025 through its director, Mr. Rajesh Uttamchandani, authorised by Board Resolution, and Written Submissions dated 03.10.2026 through its Learned Counsel. The Corporate Debtor denies and disputes the averments made in the application.

(i) The Application has not been filed under valid authority. It has been signed by Mr. Pranjil Agrawal, who is not one of the 57 officers authorised by the Board Resolution dated 22.11.2023. His authority derives from a Letter of Authority dated 13.09.2024 issued by Mr. Pranesh A. Rao, who had no power to sub-delegate, as the Board Resolution reserves the power of substitution to the Board. It is contended that the Power of Attorney executed by the MD cannot validate the Letter of Authority, and that the application is not

instituted by an authorised person under Section 7(2) of the Code read with Rule 4 of the Application to Adjudicating Authority Rules, 2016.

(ii) The Application is defective and incomplete as the Financial Creditor has not filed the NeSL record, i.e., Form C and Form D (Record of Default), which is stated to be mandatory under Section 7(3)(a) of the Code read with Regulation 20(1A) of the IBBI (Information Utilities) Regulations, 2017.

(iii) The Application is barred by limitation, as the credit facility of Rs. 20,00,00,000/- was sanctioned on 28.05.2019 and the Application was filed in 2024.

(iv) The Cash Credit Facility is payable on demand and was valid till May 2024. No demand or recall was made before the notice dated 03.06.2024 under Section 13(2) of the SARFAESI Act, 2002 and the Loan Recall Notice dated 14.06.2024. Hence, no debt was “due and payable” on 20.12.2023, and no default under Section 3(12) of the Code arose.

(v) The Corporate Debtor paid its monthly interest regularly, including Rs. 21,06,407/- for November 2023 on 16.12.2023. On the alleged date of default, i.e., 20.12.2023, the balance in the CC Account was Rs. 19,99,87,808.02, which is below the sanctioned limit, and credits were accepted even on 24.12.2023. The Statement of Account also shows payments made after the alleged date of default and NPA. It is contended that the Financial Creditor unilaterally debited term loan amounts of Rs. 3,45,00,000/- into the CC

Account and blocked debit operations in December 2023, which crippled the business of the Corporate Debtor and left about 45 employees unemployed, and thereby engineered the default.

(vi) The Corporate Debtor received no notice of the classification of its account as NPA. As per RBI guidelines, an account becomes NPA only after 90 days from the date of default, and hence the dates of default and NPA are erroneous.

(vii) The Financial Creditor has given inconsistent dates and amounts. The date of default is 20.12.2023 in the application and 15.03.2024 in the NeSL Form D, and the amounts are Rs. 22,79,17,222.34 and Rs. 22,46,40,454.37 respectively. The CIBIL report shows a balance of Rs. 20,21,20,906/- on 20.12.2023, as against Rs. 19,99,87,808.02 in the Statement of Account. The claim has been calculated as on 30.09.2024, more than nine months after the alleged default. The Financial Creditor has not filed a complete Statement of Account or an accurate computation, nor a breakup of interest and penal interest, and the claim is disputed in its entirety.

(viii) The application is an abuse of the process of law, filed with unclean hands and with the intent to harass the Corporate Debtor and to use the Code as a tool for recovery. The Corporate Debtor prays that the application be dismissed with exemplary costs.

Analysis and Findings

5. We have heard the submissions made by the Learned Counsel for the Applicant/Financial Creditor and have considered the reply filed by the Respondent/Corporate Debtor and have gone through the material available on record carefully, along with the extant provisions of the Code and the settled position of law on the subject. The following issues arises for consideration:

I. Whether the application is maintainable, having been filed by a duly authorised person and with the NeSL record?
II. Whether the application is within the period of limitation?
III. Whether there is a debt due and payable and a default by the Corporate Debtor?

Issue 1- Whether the application is maintainable, having been filed by a duly authorised person and with the NeSL record?

6. The objection to the authority of the signatory proceeds only on the Board Resolution dated 22.11.2023 and ignores the Power of Attorney dated 22.11.2023 executed by the MD & CEO in favour of Mr. Pranesh A. Rao. The MD & CEO was himself empowered to appoint substitutes, and clause 38 of this notarised Power of Attorney expressly authorises Mr. Pranesh A. Rao to substitute and delegate, with power to sub-delegate further. The Letter of Authority dated 13.09.2024 in favour of Mr. Pranjil Agrawal is an exercise of that power. The Corporate Debtor relies on the judgment of the Hon'ble

Supreme Court in *State Bank of Travancore v. Kingston Computers (I) P. Ltd.*, wherein the authority letter issued by the CEO was held to be a scrap of paper, as no resolution of the Board of Directors had delegated to him the power to authorise another person to file the suit. That case turned on the absence of any delegation, whereas in the present case the power to sub-delegate is expressly conferred. The judgment of the Hon'ble High Court of Patna in *Navin Prakash Narain v. State of Bihar* is likewise of no help to the Corporate Debtor, as it arose out of a service dispute in which the Managing Director acted without any resolution of the Board, and does not deal with a bank acting through its duly constituted attorneys.

7. As regards the NeSL record, Section 7(3)(a) of the Code also permits "such other record or evidence of default as may be specified". The Hon'ble NCLAT in *Vijay Kumar Singhania v. Bank of Baroda* and Anr., *2023 SCC OnLine NCLAT 2320*, considered the very objection raised here under Regulation 20(1A) of the Information Utilities Regulations, 2017, and held as follows:

> *"...From the above examination of statutory scheme, Rules and Regulations, it is clear that Regulation 20(1A) cannot be read to mean that after the said amendment brought in regulation w.e.f 14.06.2022 an application filed under Section 7 which is not supported by information of default from an information utility is to be rejected and if the Financial Creditor has filed other evidence to prove default which is contemplated by the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for*

Corporate Persons) Regulations, 2016, the said application has not to be considered. We, thus, are of the considered view that even after amendment of Regulation 20 by insertion of Regulation 20(1A) w.e.f 14.06.2022, Financial Creditor is entitled to file evidence of record of default as contemplated by Regulation 2A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. We, thus, do not find any substance in the submission of the Appellant that since Financial Creditor has not filed the record of default from an information utility, Section 7 deserves to be rejected."

In the present case, the default is supported by other evidence on record, namely the Statement of Account, the notices and the CIBIL report. In any event, the Record of Default is now on record as Annexure S, bears the status "Authenticated", and is relied upon by the Corporate Debtor itself, so no prejudice is caused to it. The application is therefore filed by a duly authorised person and is complete.

Issue 2- Whether the application is within the period of limitation?

8. The Corporate Debtor has contended in its Reply that the application is barred by limitation on the ground that the credit facility of Rs. 20,00,00,000/- was sanctioned on 28.05.2019, whereas the application was filed on 05.11.2024, beyond the period of three years prescribed under the Limitation Act, 1963. The said contention is misconceived, as the period of limitation is reckoned from the date of default and not from the date of sanction of the

credit facility. As per Part IV of the application, the date of default is 20.12.2023, whereas the NeSL record reflects the date of default as 15.03.2024. Both dates precede the filing of the application on 05.11.2024 by less than three years. Accordingly, the application is within the prescribed period of limitation, and the objection raised by the Corporate Debtor on this ground is rejected.

Issue 3- Whether there is a debt due and payable and a default by the Corporate Debtor?

9. The availing of the credit facilities, the Deed of Hypothecation, the Acknowledgement of Debt dated 09.05.2022 and the Statement of Account certified under the Bankers' Books Evidence Act are not disputed, and they establish a financial debt within the meaning of Section 5(8) of the Code. The Corporate Debtor's main plea is that a Cash Credit facility payable on demand is not "due and payable" until a demand is made, for which it relies on *Innoventive Industries Ltd. v. ICICI Bank Ltd. & Anr.* and *Ambica Enclave Pvt. Ltd. v. Proplarity Infrastructure Pvt. Ltd.*, (IB)-183(PB)/2024. In *Innoventive Industries Ltd.*, the Hon'ble Supreme Court held that once a debt and default are established and the application is complete, the Adjudicating Authority is required to admit the application, the enquiry under Section 7(5)(a) being confined to determining whether a default has occurred. In *Ambica Enclave Pvt. Ltd.*, the Tribunal observed:

"The insolvency proceedings are not recovery proceedings and the Financial Creditor cannot use it as an option to recover the amount due more so when it has not even made a demand...."

The said decision is distinguishable on facts, as the petition therein was rejected because no demand, even in writing, had been proved at any stage. In the present case, the account was classified as NPA, the notice under Section 13(2) of the SARFAESI Act, 2002, was issued on 03.06.2024, and the Loan Recall Notice was issued on 14.06.2024, all well before the filing of the present application on 05.11.2024. The Corporate Debtor has itself acknowledged these notices in its Written Submissions. Thus, unlike the facts in *Ambica Enclave Pvt. Ltd.*, the demand in the present case stands established, and the failure to repay the outstanding amount despite such demand establishes the default. The differences in the dates and amounts reflected in the notices and the application do not alter this conclusion, as the amounts were computed as on different dates, i.e., 30.05.2024 in the notice and 30.09.2024 in the application. Further, the part-payments made after the occurrence of default do not extinguish the default, and due credit has been given to the amounts paid.

10. The contention that the Financial Creditor debited the term loan accounts into the Cash Credit Account and blocked debit operations, and thereby engineered the default, is raised without any proof, and the Corporate Debtor has not initiated any proceedings in respect of it. Such a claim, if any, lies before the appropriate forum and is not a defence to a default which is

otherwise established. The contention that the application is a tool for recovery against a solvent company is also misplaced. The NCLT, Kolkata Bench, in *Assets Care & Reconstruction Enterprise Ltd. v. Wizard E-Marketing Pvt. Ltd., (2026) ibclaw.in 3925 NCLT* held that the scope of enquiry under Section 7 is limited to the existence of a financial debt and the occurrence of default, and that the solvency of the corporate debtor or the feasibility of recovery is not determinative at the admission stage. It rejected the plea that the petition was a recovery proceeding in disguise, holding that a financial creditor is entitled to invoke Section 7 when a debt has become due and has not been paid, and that the availability of other recovery remedies does not disentitle it. The same applies here. The application is complete, a financial debt and default are established, and there is no ground to refuse admission.

11. In view of the above discussion and reasons recorded hereinbefore, we find that the present petition is maintainable and the Petitioners have been able to establish the debt and default of the Corporate Debtor.

12. In the given facts and circumstances of the case, the present Petition is admitted in terms of Section 7(5) of the Code as under:

(i) The Corporate Debtor **Syska Miterr Private Limited** is hereby admitted into the Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016.

(ii) The moratorium under Section 14 of the Code is declared for prohibiting all of the following, in terms of Section 14(1) of the Code:

(a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

(iii) The Order of moratorium shall have effect from the date of this Order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for the liquidation of the Corporate Debtor Company under Section 33 of the Insolvency & Bankruptcy Code, 2016, as the case may be.

(iv) We hereby appoint Mr. Rajeev Mannadiar, as proposed, having Registration Number: IBBI/IPA-001/IP-P00212/2017-2018/10412, Email- rajeev@integroip.com and Address: 401, Darshan CHS, R Dadaji

Street, Fort, Near Hotel Fountain Plaza, Mumbai, 400001, to act as Interim Resolution Professional (IRP) under Section 13(1)(c) of the Insolvency and Bankruptcy Code, 2016. He shall conduct the CIRP as per the provisions of the Code read with the Regulations made thereunder.

(v) The IRP shall perform all its functions as contemplated, inter alia, by sections 17, 18, 20 & 21 of the Insolvency and Bankruptcy Code, 2016. It is further made clear that all personnel connected with Corporate Debtor, its Promoter, or any other person associated with the management of the Corporate Debtor are under legal obligation under Section 19 of the Insolvency and Bankruptcy Code, 2016, to extend every assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter, or any other person, is required to assist or co-operate with the IRP, do not assist or co-operate, the IRP is at liberty to make an appropriate Application to this Adjudicating Authority with a prayer for passing an appropriate Order.

(vi) This Adjudicating Authority directs the IRP to make a public announcement of the initiation of the CIRP and call for submission of claims under Section 15 of the Code, as required by Section 13(1)(b) of the Code.

(vii) It is further directed that the supply of goods or services to the Corporate Debtor, if continuing, shall not be terminated, suspended, or interrupted during the moratorium period. The IRP shall be under a duty

to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern as part of the obligation imposed by Section 20 of the Insolvency and Bankruptcy Code, 2016. The Financial Creditor is directed to pay an advance of Rs. 2,00,000/- (Rupees two lakhs only) to the IRP within 1 (one) weeks from the date of receipt of this order for the purpose of smooth conduct of the Corporate Insolvency Resolution Process, and the IRP is directed to file proof of receipt of such amount before this Adjudicating Authority along with the First Progress Report. Subsequently, the IRP may raise further demands for interim funds, which shall be provided as per the Rules.

(viii) The Interim Resolution Professional shall send a communication, along with a copy of the public announcement made under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations (CIRP Regulations), 2016, to all statutory authorities likely to have claims against the Corporate Debtor. Such authorities shall include the Income Tax Department, GST Authorities, State Trade Tax Department, Provident Fund Organisation, and any other concerned departments, as well as the trade unions and employees' associations of the Corporate Debtor. The purpose of such communication shall be to duly inform them of the admission of the Corporate Debtor into the CIRP and to ensure that they are apprised of its commencement in a timely manner.

(ix) The Interim Resolution Professional shall cause a hoarding of conspicuous size to be erected prominently at the entrance of the project site. Such hoarding shall display the public announcement issued under Regulation 6 of the CIRP Regulations, 2016, pertaining to the commencement of the CIRP, with the object of affording reasonable notice thereof to all concerned stakeholders.

(x) The Registry is directed to communicate a copy of this Order to the Financial Creditor, Corporate Debtor, and the Interim Resolution Professional and the concerned Registrar of Companies, after completion of the necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the Order.

13. The time taken in adjudication of the present petition is attributable to the completion of pleadings and consideration of the contested factual and legal issues. The matter was heard and reserved for orders on 30.09.2026, and the aforesaid circumstances are recorded in terms of the proviso to Section 7(5) of the Code.

14. Accordingly, **CP (IB) No. 295/Chd/Pb/2024** is ***allowed*** and the Corporate Debtor, **Syska Miterr Private Limited**, is hereby ***admitted*** into the Corporate Insolvency Resolution Process.

Sd/-
Shishir Agarwal
Member (Technical)

Sd/-
Khetrabasi Biswal
Member (Judicial)

Divya